Declaration of interim dividend by IDBI

2208. SHRI LALIT SURI: Will the Minister of FINANCE be pleased to state:

(a) whether IDBI in which Government have 51 per cent equity participation paid dividend @ 15 per cent for the years 2001-2002 and 2002-2003, which is much below the earlier payment of 45 per cent;

(b) if so, what was the role of Government representative on the Board of IDBI to safeguard the interest of Government and other shareholders in regard to payment of dividend at low rate; and

(c) whether there is any proposal under Government's consideration to ask the public sector banks including IDBI to declare interim dividend before the close of current financial year so as to reduce Government deficit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir. Government of India has 58.47% equity participation in IDBI. IDBI has paid dividend of Rs. 1.50 per share for 2001-02 and 2002-03 as against Rs. 4.50 per share for immediately preceding years.

(b) Decisions in the meeting of Board of Directors of IDBI are taken by a majority of votes of the directors (including representatives of Government and shareholders) present and voting.

(c) There is no such proposal under consideration of the government in respect of Financial Institutions, including IDBI. However, the Nationalised Banks have been asked to pay interim dividend for the financial year 2003-2004 on or before finalisation of accounts of quarter ending December, 2003 based on the growth in their performance.

Manipulation of scrip prices

2209. SHRI R.K. ANAND: Will the Minister of FINANCE be pleased to state:

(a) how many Mutual funds including domestic and Foreign are under the scanner of SEBI for alleged misappropriation of the scrip prices in the recent Bull run;

(b) whether these funds were found for alleged manipulation of the Scrip Prices to increase their Net Asset Value (NAV);

(c) whether SEBI Chairman had a meeting on 11th September, 2003 with the Chiefs of all the Asset Management Companies to discuss the issue of front running by the Mutual Fund Manager; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) Information is being collected and will be placed on the Table of the House.

Winding up of sick companies by BIFR

2210. SHRI R.K. ANAND: Will the Minister of FINANCE be pleased to state:

(a) the number of sick companies which have been ordered to be wound up by the board for Industrial and Financial Reconstruction (BIFR) during the last three years;

(b) the details of the companies with the losses incurred by these companies and the amount of losses incurred to the Exchequer; and

(c) how many companies have been restructured by Government during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) The Board for Industrial and Financial Reconstruction (BIFR) has reported that during the last three years i.e., from 1.1.2000 to 31.12.2002 and thereafter up to 31st October 2003, 554 cases of sick industrial companies have been recommended for winding up by BIFR.

(b) These 554 companies have incurred accumulated losses amounting to Rs. 835689.26 lakhs. BIFR has, however, reported that it does not maintain details relating to total losses to exchequer in respect of sick companies.

(c) BIFR has reported that during the last three years and thereafter up to 31st October, 2003, 125 companies have been declared no longer sick after successful implementation of revival/rehabilitation schemes